

IN THE HOUSE OF REPRESENTATIVES

HOUSE BILL NO. 218

BY REVENUE AND TAXATION COMMITTEE

AN ACT

1 RELATING TO THE LAW ENFORCEMENT FUND; AMENDING SECTION 40-701, IDAHO CODE,  
2 TO REVISE APPORTIONMENTS FROM THE HIGHWAY DISTRIBUTION ACCOUNT; AND  
3 AMENDING SECTION 63-3638, IDAHO CODE, TO PROVIDE FOR A DISTRIBUTION TO  
4 THE LAW ENFORCEMENT FUND.  
5

6 Be It Enacted by the Legislature of the State of Idaho:

7 SECTION 1. That Section 40-701, Idaho Code, be, and the same is hereby  
8 amended to read as follows:

9 40-701. HIGHWAY DISTRIBUTION ACCOUNT -- APPORTIONMENT. (1) There is  
10 established in the state treasury an account known as the "Highway Distribu-  
11 tion Account," to which shall be credited:

12 (a) Moneys as provided by sections 63-2412(1)(f)4. and 63-2418(4),  
13 Idaho Code;

14 (b) All moneys collected by the department, their agents and vendors,  
15 and county assessors and sheriffs, under the provisions of title 49,  
16 Idaho Code, except as otherwise specifically provided for; and

17 (c) All other moneys as may be provided by law.

18 (2) The highway distribution account shall be apportioned as follows:

19 (a) ~~Thirty-eight~~ Forty percent (~~38~~40%) to local units of government as  
20 provided in section 40-709, Idaho Code; and

21 (b) ~~Fifty-seven~~ Sixty percent (~~57~~60%) to the state highway account es-  
22 tablished in section 40-702, Idaho Code; and

23 ~~(c) Five percent (5%) to the law enforcement account, established in~~  
24 ~~section 67-2914, Idaho Code. The state controller shall cause the re-~~  
25 ~~mittance of the moneys apportioned to local units of government not~~  
26 ~~later than January 25, April 25, July 25 and October 25 of each year,~~  
27 ~~and to the state highway account and the law enforcement account as the~~  
28 ~~moneys become available to the highway distribution account.~~

29 (3) All new revenues generated by increases in registration fees and  
30 fees on electric and hybrid vehicles pursuant to the provisions of House Bill  
31 No. 312, as amended in the Senate, as amended in the Senate, during the first  
32 regular session of the sixty-third Idaho legislature, shall be apportioned  
33 as follows:

34 (a) Forty percent (40%) to local units of government as provided in sec-  
35 tion 40-709, Idaho Code; and

36 (b) Sixty percent (60%) to the state highway account established in  
37 section 40-702, Idaho Code.

38 (4) Interest earned on the investment of idle moneys in the highway dis-  
39 tribution account shall be paid to the highway distribution account.

40 (5) All idle moneys in the dedicated highway trust or asset accounts or  
41 subaccounts established from highway user revenues, reimbursements, fees or  
42 permits shall be invested by the state treasurer in the same manner as pro-

1 vided under section 67-1210, Idaho Code, with respect to other surplus or  
2 idle moneys in the state treasury. Interest earned on the investments shall  
3 be returned to the various highway trust or asset accounts and subaccounts.

4 SECTION 2. That Section 63-3638, Idaho Code, be, and the same is hereby  
5 amended to read as follows:

6 63-3638. SALES TAX -- DISTRIBUTION. All moneys collected under this  
7 chapter, except as may otherwise be required in sections 63-3203 and  
8 63-3709, Idaho Code, and except as provided in subsection (16) of this sec-  
9 tion, shall be distributed by the state tax commission as follows:

10 (1) An amount of money shall be distributed to the state refund account  
11 sufficient to pay current refund claims. All refunds authorized under this  
12 chapter by the state tax commission shall be paid through the state refund  
13 account, and those moneys are continuously appropriated.

14 (2) Five million dollars (\$5,000,000) per year is continuously appro-  
15 priated and shall be distributed to the permanent building fund, provided by  
16 section 57-1108, Idaho Code.

17 (3) Four million eight hundred thousand dollars (\$4,800,000) per year  
18 is continuously appropriated and shall be distributed to the water pollution  
19 control account established by section 39-3628, Idaho Code.

20 (4) An amount equal to the sum required to be certified by the chair-  
21 man of the Idaho housing and finance association to the state tax commis-  
22 sion pursuant to section 67-6211, Idaho Code, in each year is continuously  
23 appropriated and shall be paid to any capital reserve fund, established by  
24 the Idaho housing and finance association pursuant to section 67-6211, Idaho  
25 Code. Such amounts, if any, as may be appropriated hereunder to the capital  
26 reserve fund of the Idaho housing and finance association shall be repaid for  
27 distribution under the provisions of this section, subject to the provisions  
28 of section 67-6215, Idaho Code, by the Idaho housing and finance associa-  
29 tion, as soon as possible, from any moneys available therefor and in excess  
30 of the amounts which the association determines will keep it self-support-  
31 ing.

32 (5) An amount equal to the sum required by the provisions of sections  
33 63-709 and 63-717, Idaho Code, after allowance for the amount appropriated  
34 by section 63-718(3), Idaho Code, is continuously appropriated and shall be  
35 paid as provided by sections 63-709 and 63-717, Idaho Code.

36 (6) An amount required by the provisions of chapter 53, title 33, Idaho  
37 Code.

38 (7) An amount required by the provisions of chapter 87, title 67, Idaho  
39 Code.

40 (8) For fiscal year 2011, and each fiscal year thereafter, four million  
41 one hundred thousand dollars (\$4,100,000), of which two million two hundred  
42 thousand dollars (\$2,200,000) shall be distributed to each of the forty-four  
43 (44) counties in equal amounts, and one million nine hundred thousand dol-  
44 lars (\$1,900,000) of which shall be distributed to the forty-four (44) coun-  
45 ties in the proportion that the population of the county bears to the popula-  
46 tion of the state. For fiscal year 2012, and for each fiscal year thereafter,  
47 the amount distributed pursuant to this subsection, shall be adjusted annu-  
48 ally by the state tax commission in accordance with the consumer price index  
49 for all urban consumers (CPI-U) as published by the U.S. department of la-

1 bor, bureau of labor statistics, but in no fiscal year shall the total amount  
 2 allocated for counties under this subsection, be less than four million one  
 3 hundred thousand dollars (\$4,100,000). Any increase resulting from the ad-  
 4 justment required in this section shall be distributed to each county in the  
 5 proportion that the population of the county bears to the population of the  
 6 state. Each county shall establish a special election fund to which shall be  
 7 deposited all revenues received from the distribution pursuant to this sub-  
 8 section. All such revenues shall be used exclusively to defray the costs as-  
 9 sociated with conducting elections as required of county clerks by the pro-  
 10 visions of section 34-1401, Idaho Code.

11 (9) One dollar (\$1.00) on each application for certificate of title  
 12 or initial application for registration of a motor vehicle, snowmobile,  
 13 all-terrain vehicle or other vehicle processed by the county assessor or the  
 14 Idaho transportation department excepting those applications in which any  
 15 sales or use taxes due have been previously collected by a retailer, shall be  
 16 a fee for the services of the assessor of the county or the Idaho transporta-  
 17 tion department in collecting such taxes, and shall be paid into the current  
 18 expense fund of the county or state highway account established in section  
 19 40-702, Idaho Code.

20 (10) Eleven and five-tenths percent (11.5%) is continuously appropri-  
 21 ated and shall be distributed to the revenue sharing account which is created  
 22 in the state treasury, and the moneys in the revenue sharing account will be  
 23 paid in installments each calendar quarter by the state tax commission as  
 24 follows:

25 (a) Twenty-eight and two-tenths percent (28.2%) shall be paid to the  
 26 various cities as follows:

27 (i) Fifty percent (50%) of such amount shall be paid to the vari-  
 28 ous cities, and each city shall be entitled to an amount in the pro-  
 29 portion that the population of that city bears to the population of  
 30 all cities within the state; and

31 (ii) Fifty percent (50%) of such amount shall be paid to the vari-  
 32 ous cities, and each city shall be entitled to an amount in the pro-  
 33 portion that the preceding year's market value for assessment pur-  
 34 poses for that city bears to the preceding year's market value for  
 35 assessment purposes for all cities within the state.

36 (b) Twenty-eight and two-tenths percent (28.2%) shall be paid to the  
 37 various counties as follows:

38 (i) One million three hundred twenty thousand dollars  
 39 (\$1,320,000) annually shall be distributed one forty-fourth  
 40 (1/44) to each of the various counties; and

41 (ii) The balance of such amount shall be paid to the various coun-  
 42 ties, and each county shall be entitled to an amount in the propor-  
 43 tion that the population of that county bears to the population of  
 44 the state;

45 (c) Thirty-five and nine-tenths percent (35.9%) of the amount appro-  
 46 priated in this subsection shall be paid to the several counties for  
 47 distribution to the cities and counties as follows:

48 (i) Each city and county which received a payment under the provi-  
 49 sions of section 63-3638(e), Idaho Code, during the fourth quarter

1 of calendar year 1999, shall be entitled to a like amount during  
2 succeeding calendar quarters.

3 (ii) If the dollar amount of money available under this subsection  
4 (10) (c) in any quarter does not equal the amount paid in the fourth  
5 quarter of calendar year 1999, each city's and county's payment  
6 shall be reduced proportionately.

7 (iii) If the dollar amount of money available under this subsec-  
8 tion (10) (c) in any quarter exceeds the amount paid in the fourth  
9 quarter of calendar year 1999, each city and county shall be en-  
10 titled to a proportionately increased payment, but such increase  
11 shall not exceed one hundred five percent (105%) of the total pay-  
12 ment made in the fourth quarter of calendar year 1999.

13 (iv) If the dollar amount of money available under this subsection  
14 (10) (c) in any quarter exceeds one hundred five percent (105%) of  
15 the total payment made in the fourth quarter of calendar year 1999,  
16 any amount over and above such one hundred five percent (105%)  
17 shall be paid fifty percent (50%) to the various cities in the pro-  
18 portion that the population of the city bears to the population of  
19 all cities within the state, and fifty percent (50%) to the various  
20 counties in the proportion that the population of a county bears to  
21 the population of the state; and

22 (d) Seven and seven-tenths percent (7.7%) of the amount appropriated in  
23 this subsection shall be paid to the several counties for distribution  
24 to special purpose taxing districts as follows:

25 (i) Each such district which received a payment under the pro-  
26 visions of section 63-3638 (e), Idaho Code, as such subsection ex-  
27 isted immediately prior to July 1, 2000, during the fourth quarter  
28 of calendar year 1999, shall be entitled to a like amount during  
29 succeeding calendar quarters.

30 (ii) If the dollar amount of money available under this subsec-  
31 tion (10) (d) in any quarter does not equal the amount paid in the  
32 fourth quarter of calendar year 1999, each special purpose taxing  
33 district's payment shall be reduced proportionately.

34 (iii) If the dollar amount of money available under this subsec-  
35 tion (10) (d) in any quarter exceeds the amount distributed under  
36 paragraph (i) of this subsection (10) (d), each special purpose  
37 taxing district shall be entitled to a share of the excess based on  
38 the proportion each such district's current property tax budget  
39 bears to the sum of the current property tax budgets of all such  
40 districts in the state. The state tax commission shall calculate  
41 district current property tax budgets to include any unrecovered  
42 foregone amounts as determined under section 63-802(1) (e), Idaho  
43 Code. When a special purpose taxing district is situated in more  
44 than one (1) county, the state tax commission shall determine the  
45 portion attributable to the special purpose taxing district from  
46 each county in which it is situated.

47 (iv) If special purpose taxing districts are consolidated, the  
48 resulting district is entitled to a base amount equal to the sum of  
49 the base amounts which were received in the last calendar quarter  
50 by each district prior to the consolidation.

1 (v) If a special purpose taxing district is dissolved or disincorporated, the state tax commission shall continuously distribute to the board of county commissioners an amount equal to the last quarter's distribution prior to dissolution or disincorporation. The board of county commissioners shall determine any redistribution of moneys so received.

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7 (vi) Taxing districts formed after January 1, 2001, are not entitled to a payment under the provisions of this subsection (10) (d).

8 (vii) For purposes of this subsection (10) (d), a special purpose taxing district is any taxing district which is not a city, a county or a school district.

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12 (11) Amounts calculated in accordance with section 2, chapter 356, laws of 2001, for annual distribution to counties and other taxing districts beginning in October 2001 for replacement of property tax on farm machinery and equipment exempted pursuant to section 63-602EE, Idaho Code. For nonschool districts, the state tax commission shall distribute one-fourth (1/4) of this amount certified quarterly to each county. For school districts, the state tax commission shall distribute one-fourth (1/4) of the amount certified quarterly to each school district. For nonschool districts, the county auditor shall distribute to each district within thirty (30) calendar days from receipt of moneys from the state tax commission. Moneys received by each taxing district for replacement shall be utilized in the same manner and in the same proportions as revenues from property taxation. The moneys remitted to the county treasurer for replacement of property exempt from taxation pursuant to section 63-602EE, Idaho Code, may be considered by the counties and other taxing districts and budgeted at the same time, in the same manner and in the same year as revenues from taxation on personal property which these moneys replace. If taxing districts are consolidated, the resulting district is entitled to an amount equal to the sum of the amounts which were received in the last calendar quarter by each district pursuant to this subsection prior to the consolidation. If a taxing district is dissolved or disincorporated, the state tax commission shall continuously distribute to the board of county commissioners an amount equal to the last quarter's distribution prior to dissolution or disincorporation. The board of county commissioners shall determine any redistribution of moneys so received. If a taxing district annexes territory, the distribution of moneys received pursuant to this subsection shall be unaffected. Taxing districts formed after January 1, 2001, are not entitled to a payment under the provisions of this subsection. School districts shall receive an amount determined by multiplying the sum of the year 2000 school district levy minus .004 times the market value on December 31, 2000, in the district of the property exempt from taxation pursuant to section 63-602EE, Idaho Code, provided that the result of these calculations shall not be less than zero (0). The result of these school district calculations shall be further increased by six percent (6%). For purposes of the limitation provided by section 63-802, Idaho Code, moneys received pursuant to this section as property tax replacement for property exempt from taxation pursuant to section 63-602EE, Idaho Code, shall be treated as property tax revenues.

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1 (12) Amounts necessary to pay refunds as provided in section 63-3641,  
2 Idaho Code, to a developer of a retail complex shall be remitted to the demon-  
3 stration pilot project fund created in section 63-3641, Idaho Code.

4 (13) Amounts calculated in accordance with subsection (4) of section  
5 63-602KK, Idaho Code, for annual distribution to counties and other taxing  
6 districts for replacement of property tax on personal property tax exemp-  
7 tions pursuant to subsection (2) of section 63-602KK, Idaho Code, which  
8 amounts are continuously appropriated unless the legislature enacts a dif-  
9 ferent appropriation for a particular fiscal year. For purposes of the  
10 limitation provided by section 63-802, Idaho Code, moneys received pursuant  
11 to this section as property tax replacement for property exempt from taxa-  
12 tion pursuant to section 63-602KK, Idaho Code, shall be treated as property  
13 tax revenues. If taxing districts are consolidated, the resulting district  
14 is entitled to an amount equal to the sum of the amounts that were received in  
15 the last calendar year by each district pursuant to this subsection prior to  
16 the consolidation. If a taxing district or revenue allocation area annexes  
17 territory, the distribution of moneys received pursuant to this subsection  
18 shall be unaffected. Taxing districts and revenue allocation areas formed  
19 after January 1, 2013, are not entitled to a payment under the provisions of  
20 this subsection.

21 (14) Amounts collected from purchasers and paid to the state of Idaho by  
22 retailers that are not engaged in business in this state and which retailer  
23 would not have been required to collect the sales tax, less amounts other-  
24 wise distributed in subsections (1) and (10) of this section, shall be dis-  
25 tributed to the tax relief fund created in section 57-811, Idaho Code. The  
26 state tax commission will determine the amounts to be distributed under this  
27 subsection.

28 (15) Any moneys remaining over and above those necessary to meet and  
29 reserve for payments under other subsections of this section shall be dis-  
30 tributed to the general fund.

31 (16) One percent (1.0%) shall be distributed to the law enforcement  
32 fund established in section 67-2914, Idaho Code. The distribution provided  
33 for in this subsection must immediately follow the distribution provided for  
34 in subsection (1) of this section.